

1980—Pub. L. 96-513 substituted “section 17(j) of the Act of February 25, 1920 (30 U.S.C. 226(j))” for “section 226e of title 30”.

1976—Pub. L. 94-258 struck out “of the Navy” after “Secretary” wherever appearing.

EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-513 effective Dec. 12, 1980, see section 701(b)(3) of Pub. L. 96-513, set out as a note under section 101 of this title.

EX. ORD. NO. 12929. DELEGATION OF AUTHORITY REGARDING NAVAL PETROLEUM AND OIL SHALE RESERVES

Ex. Ord. No. 12929, Sept. 29, 1994, 59 F.R. 50473, provided:

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 301 of title 3 and sections 7427 and 7428 of title 10, United States Code, and in order to meet the goals and requirements of the Naval Petroleum and Oil Shale Reserves, it is hereby ordered as follows:

The functions vested in the President by sections 7427 and 7428 of title 10 of the United States Code are delegated to the Secretary of Energy.

WILLIAM J. CLINTON.

Temporary delegations of functions of President under this section were contained in the following prior Executive Orders:

Ex. Ord. No. 12784, Dec. 19, 1991, 56 F.R. 66339.

Ex. Ord. No. 12659, Dec. 15, 1988, 53 F.R. 50911.

§ 7428. Agreements and leases: provision for change

Every unit or cooperative plan of development and operation and every lease affecting lands owned by the United States within Naval Petroleum Reserve Numbered 2 and the oil shale reserves shall contain a provision authorizing the Secretary, subject to approval by the President and to any limitation in the plan or lease, to change from time to time the rate of prospecting and development on, and the quantity and rate of production from, lands of the United States under the plan or lease, notwithstanding any other provision of law.

(Aug. 10, 1956, ch. 1041, 70A Stat. 460; Pub. L. 87-796, §1(5), Oct. 11, 1962, 76 Stat. 905; Pub. L. 94-258, title II, §201(9), Apr. 5, 1976, 90 Stat. 309; Pub. L. 106-398, §1 [div. C, title XXXIV, §3402(b)(2)], Oct. 30, 2000, 114 Stat. 1654, 1654A-484.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
7428	34 U.S.C. 524 (proviso of 6th par.).	June 4, 1920, ch. 228 (6th par., proviso, of amended 3d and 4th provisos), 41 Stat. 813; June 30, 1938, ch. 851, §1, 52 Stat. 1252; June 17, 1944, ch. 262, 58 Stat. 282.

The words “entered into after July 1, 1937” and “entered into subsequent to July 1, 1937” are omitted as surplusage. The words “in his discretion” are omitted as surplusage.

AMENDMENTS

2000—Pub. L. 106-398 struck out “, except a plan authorized by section 7426 of this title,” after “development and operation”.

1976—Pub. L. 94-258 substituted “within Naval Petroleum Reserve Numbered 2 and the oil shale reserves

shall contain a provision authorizing the Secretary” for “within the naval petroleum and oil shale reserves shall contain a provision authorizing the Secretary of the Navy”.

1962—Pub. L. 87-796 included leases affecting lands within oil shale reserves.

DELEGATION OF FUNCTIONS

Functions of the President under this section were delegated to the Secretary of Energy by Ex. Ord. No. 12929, Sept. 29, 1994, 59 F.R. 50473, set out as a note under section 7427 of this title.

§ 7429. Re-lease of certain lands: lessee’s preferential right

The Secretary, on terms prescribed by him, may re-lease lands in the naval petroleum reserves that were covered by leases made before July 1, 1936, and terminated by law at the expiration of their initial twenty-year periods. If any such land is to be re-leased, the Secretary shall give to the former lessee preferential rights to the new lease.

(Aug. 10, 1956, ch. 1041, 70A Stat. 460; Pub. L. 94-258, title II, §201(10), Apr. 5, 1976, 90 Stat. 309.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
7429	34 U.S.C. 524 (6th par., less proviso).	June 4, 1920, ch. 228 (6th par., less proviso, of amended 3d and 4th provisos), 41 Stat. 813; June 30, 1938, ch. 851, §1, 52 Stat. 1253; June 17, 1944, ch. 262, 58 Stat. 282.

The source law provided that leases of lands of the United States within the naval petroleum reserves in existence before July 1, 1936, except leases that had become part of an approved unit or cooperative plan and agreement, should terminate at the end of their initial 20-year period, and that the lands covered by these leases could then be re-leased by the Secretary of the Navy. All of the leases covered by this provision have terminated as provided therein. Thus the provision for the termination of the leases is executed and the only remaining effect of the source is to authorize the re-lease of the lands formerly covered by the terminated leases. This section is worded accordingly. Reference to the classes of leases that were excepted from the termination is omitted as unnecessary because these leases were, of course, not terminated. They are not affected, since this section refers only to leases that were “terminated by law”. The word “conditions” is omitted as included in the word “terms”.

AMENDMENTS

1976—Pub. L. 94-258 struck out “of the Navy” after “Secretary”.

§ 7430. Disposition of products

(a) In administering the naval petroleum reserves under this chapter, the Secretary shall use, store, or sell the petroleum produced from the naval petroleum reserves and lands covered by joint, unit, or other cooperative plans.

(b)(1) Subject to paragraph (2) and notwithstanding any other provision of law, each sale of the United States share of petroleum shall be made by the Secretary at public sale to the highest qualified bidder, at such time, in such amounts, and after such advertising as the Secretary considers proper and without regard to Federal, State, or local regulations controlling